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C O N F I D E N T I A L BRATISLAVA 000314

SIPDIS

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TAGS: [PGOV](#) [PINR](#) [LO](#)

SUBJECT: SMER-SDL MERGER CONSOLIDATES LEFT, BUT DOES IT
MATTER?

Classified By: CDA Scott N. Thayer for reasons 1.34 (b) and (d)

11. (C) Summary. In late 2004, the Party of the Democratic Left (SDL) and two other small, leftist parties merged with Smer ("Direction"). Smer leader Robert Fico has successfully consolidated the center-left, but a slight increase in votes in 2006 will not necessarily correspond to an increase in coalition potential. Pollsters continue to interpret support for Smer as "soft." End Summary.

Let's Make a Deal

12. (U) On December 11, 2004, precisely five years after Robert Fico broke from the Party of the Democratic Left to form Smer, SDL merged with Smer. The SDL ceased to exist as a legal entity on January 1, 2005, and began to transfer all its property to Smer. The move followed the November 2004 mergers of the Social Democratic Party of Slovakia (SDSS) and the Slovak Democratic Alternative (SDA) with Smer, and united all the remaining parties of the center left.

13. (SBU) Based on the agreement it signed with Smer, SDL received one vice-chair post, two seats on the Smer Board of Directors, and vice-chair positions in all district and regional party organizations. The total number of leadership positions reserved for SDL members throughout the country was nearly 300, and was guaranteed for two years. In return, Smer acquired an active and experienced membership base, strong district organizations (approximately 1,400 institutions were affiliated with the SDL), and the right to use the label "Social Democrat." Most importantly, Smer eliminated the competition.

A Brief History Lesson

14. (SBU) In the first Dzurinda government (1998-2002), SDL was a coalition member and controlled five ministries and one Deputy Prime Minister post. Fico broke with the party after disagreements over coalition partners and ministerial posts. SDL suffered a significant decline in support when several high-ranking members left to form SDA before the 2002 parliamentary elections due to personality conflicts. Smer was able to capitalize on the divisions within the left and its pre-election poll numbers soared. SDL didn't obtain sufficient votes to enter parliament in 2002 (a party needs five percent of the vote). Nonetheless, it maintained a small but loyal membership and a number of elected officials at the local level.

15. (C) Former SDL Chairman Lubomir Petrak told emboffs in January that the party still possessed an active membership and strong regional organizations, but lacked national personalities that could raise its standing in the polls. He saw no alternative to the merger. He said Smer secured a good deal, considering SDL's experience as a former coalition partner and the number of locally-elected officials representing SDL. Petrak believed that the disciplined SDL party members would re-register with Smer, and stated the reactions were still entirely positive a month after the merger. He pointed to recent polls showing an increase in Smer's popularity as proof that SDL's loyal members supported the merger.

The Other Side of the Coin

16. (C) The December 11 Smer party congress featured countless speeches about all the benefits of the merger. However, in the eyes of some Smer members, SDL may do more harm than good to the party image. Peter Pelligrini, the head of Smer's Banska Bystrica district office, told poloff that by integrating unpopular elected officials and people connected to the former communist regime, Smer politicians will lose their image as the fresh faces on the political scene. For example, Banska Bystrica's SDL Mayor Jan Kralik will join Smer, but his economic development program is extremely unpopular. His reputation among local citizens and NGO's grows continuously worse. In addition, Pelligrini said the SDL had not delivered on its claims that most members would join Smer. A month later, only 40 of 400 SDL members in Banska Bystrica had re-registered.

17. (C) As a member of the Smer board of directors, Pelligrini cast a risky dissenting vote against the merger, believing the agreement was made too quickly and ideological differences could come to a fray. He fears that fiercely loyal SDL members may use Smer to get elected, and then in the future may break from Smer and steal parliamentary seats.

18. (C) According to Pelligrini, the only advantage of the merger was to be a stepping-stone to membership in Socialist International and in the EU parliament Social Democrat club.

Pelligrini said it was important for Smer to adopt the label "Social Democrat" and erase the confusing campaign slogan "the third way." Eugen Skultety, the Vice President for Labor Policy at the Confederation of Trade Unions (KOZ), told emboff that cooperation with Smer could become easier and more acceptable under the guise of the Social Democratic label. He stated unionists in Europe are inclined to work with Social Democrats on some issues, even while maintaining loyalties to other parties.

Next Steps

19. (C) The December 2005 Smer congress will begin to discuss the 2006 parliamentary elections and candidate lists. Both Pelligrinni and Petrak said they don't expect ideological disputes in the timeframe leading up to elections, though internal problems could result from candidate selection and personality conflicts. Petrak said completing this merger nearly two years in advance of elections would give SDL members time to shift their loyalty to Smer and contribute to its growth. Pelligrini viewed future negotiations of candidate lists as a Pandora's box, since SDL members are more experienced at political maneuvering than young Smer upstarts.

110. (C) Michal Vasecka, a sociologist from the Institute for Public Affairs (IVO), told emboff that SDL members may become dissatisfied if they don't get top positions in candidate lists for the November 2005 regional elections. He said the regional elections will be the litmus test of Smer's strength, the merger, and the party's penetration in the regions. If Smer has good results, analysts will have to start viewing their popularity ratings as real numbers rather than inflated. (Note: In the 2002 parliamentary elections, Smer led the polls at nearly 20 percent, but only got 13 percent of the vote.)

111. (SBU) A small group within Vladimir Meciar's Movement for a Democratic Slovakia (HZDS) favors closer cooperation with Smer. They have publicly and privately expressed dismay that Meciar is taking the party closer to Dzurinda's SDKU and away from its voters. HZDS MP Dusan Jarabik left the party in mid-April for this reason, and it is rumored he may join Smer.

Comment: Has Anything Really Changed?

112. (C) Smer has consolidated the center-left, and may gain a few percentage points in the 2006 elections as a result, but it has not acquired more coalition potential. Fico behaves in a confrontational manner toward all other major party leaders. He has proven he can make deals with nearly-extinct parties, but he can't get along with the bigger ones.

113. (C) Fico continues to employ the populist rhetoric that keeps him near the 30-percent mark in polls. He recently promised that, if elected, he would eliminate fees for health care, increase the minimum wage, and cut the VAT on fuel, medicine, and food. However, most Slovaks remain skeptical. Economic reforms are well-entrenched, and even a Fico-led government would find it hard to dramatically reverse course. Even if a new "Social Democrat" label brings clarity to the party program, Smer is still not offering a simple, concise alternative to the current government. Smer's support is traditionally very "soft" because its (mostly young) supporters tend not to vote, even when they indicate in polls that they will. Most pollsters to whom we have spoken interpret Smer's strong showing as an expression of dissatisfaction with the current government, rather than a real vote for Fico. Like Vasecka, we remain doubtful of Smer's true strength.

THAYER